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NEWSLETTER

(Henry Zhuang & Partners)
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NEW REGULATIONS ON EMPLOYMENT

On 18 September 2008, the **Regulations for Implementation of PRC Employment Contract Law** (the "New Regulations") was promulgated by the PRC State Council, which clarified certain unclear issues in terms of the PRC Employment Contract Law.

According to the New Regulations, under any of the 14 specified circumstances, an employer may, pursuant to the stipulated procedures, terminate the employment contract, even if it is an "open-ended employment contract".

In case an employer terminates an employment contract at will, previously, it was not very clear whether the employer would be required to pay to the employee both the severance pay and the compensation (equivalent to double of severance pay). Now, according to the New Regulations, in the same case, the employer is required to pay the compensation (equivalent to double of severance pay) only.

Upon request, we may provide you with a copy of the New Regulations (in Chinese).

Yours faithfully,

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